

SECURITIES AND EXCHANGE COMMISSION

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BRANCH OF REGISTRATION

08 EXAMINATIONS



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STATES  
CHANGE COMMISSION  
D.C. 20549

## ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

OMB APPROVAL

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07

MM/DD/YY

MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Prospero Capital, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

20 Marshall Street - Suite 300

(No. and Street)

Norwalk

CT

06854

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Daniel J. Donovan

203-354-1529

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Schwartz &amp; Hofflich LLP

(Name - if individual, state last, first, middle name)

37 North Avenue - 3rd Floor

Norwalk

CT

06851-3832

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

APR 08 2008

THOMSON  
FINANCIAL

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

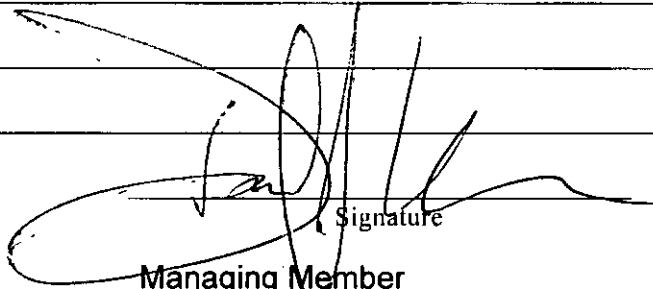
SEC 1410 (06-02)


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## OATH OR AFFIRMATION

I, Daniel J. Donovan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Prospero Capital, LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

  
Signature  
Managing Member  
Title

  
Notary Public

JOANN M. DOMBEK  
**NOTARY PUBLIC**  
My Commission Expires April 30, 2010

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☐ (b) Statement of Financial Condition. \*\*\*
- ☐ (c) Statement of Income (Loss). \*\*\*
- ☐ (d) Statement of Changes in Financial Condition. \*\*\*
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital. \*\*\*
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the ~~Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.~~
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

\*\*\* Previously submitted

**PROSPERO CAPITAL, LLC**  
**RECONCILIATION, INCLUDING APPROPRIATE EXPLANATION OF THE**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**

**As of December 31, 2007**

**Net capital**

Member's equity from Focus report (10/1/07 - 12/31/07)	\$ 542,770
Increase in cash	57
Increase in accounts receivable	1,416
Reduction of prepaid expenses	(310)
Increase in accrued expenses	<u>(1,009)</u>
Total member's equity per audit	542,924
Deduct member's equity not allowable for net capital	<u>0</u>
Total member's equity qualified for net capital	542,924
<b>Add:</b>	
Subordinated borrowings allowable in computation of net capital	0
Other deductions or allowable credits	<u>0</u>
Total capital and allowable subordinated borrowings	542,924
<b>Deduction and/or charges:</b>	
Non-allowable assets: Prepaid expenses	<u>(152)</u>
<b>Net capital</b>	<u><u>\$ 542,772</u></u>

**Aggregate indebtedness**

Items included in statement of financial condition	
Accrued expenses	\$ 4,500
Items not included in statement of financial condition:	<u>                    </u>
<b>Total aggregate indebtedness</b>	<u><u>\$ 4,500</u></u>

**Computation of basic net capital requirement**

Minimum net capital required - 6-2/3% of aggregate indebtedness	\$ 300
Minimum net capital required: Company	\$ 5,000
Net capital requirement, greater of the above	<u>5,000</u>
Excess net capital	<u><u>\$ 537,772</u></u>

See independent auditor's report.

*END*